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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-10964 (MG)
)
) (Jointly Administered)
)

NOTICE OF INCREASED WITHDRAWAL FEES

PLEASE TAKE NOTICE that on December 20, 2022, the Court entered the *Order (I) Authorizing the Debtors to Reopen Withdrawals For Certain Customers with Respect to Certain Assets Held in the Custody Program and Withhold Accounts and (II) Granting Related Relief* [Docket No. 1767] (the “Withdrawal Order”)² pursuant to which the Debtors are authorized to permit certain customers to withdraw certain digital assets from the Custody Program and/or

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Withdrawal Order, the Custody Settlement Order (as defined herein), and the Withhold Settlement Order (as defined herein), respectively.

associated with Withhold Account obligations that were (A) (1) only ever in the Custody Program (the “Pure Custody Assets”) or (2) transferred in the 90 days before the Petition Date from the Earn Program or the Borrow Program to the Custody Program and, at the time of such transfer(s), the aggregate value of such transfer(s) was less than \$7,575 (valued as of the time of each such transfer) (the “Transferred Custody Assets” together with the Pure Custody Assets and the Remaining Distributable Custody Assets (as defined herein), the “Distributable Custody Assets”), as set forth on the Revised Distribution Schedule or (B) transferred by users to Celsius’ platform but were not supported on the platform and remain in the Debtors’ possession (the “Ineligible Withhold Assets” and, together with the Distributable Custody Assets, the “Distributable Assets”), all in accordance with the terms of the Withdrawal Order.

PLEASE TAKE FURTHER NOTICE that on January 31, 2023, the Debtors filed the *Notice of Schedule of Custody Users Entitled to Withdraw Certain Assets* [Docket No. 1958] (the “First Withdrawal Notice”) setting forth a schedule of certain users (such user an “Eligible User” and all users together, the “Eligible Users”) entitled to withdraw 94% of their Distributable Custody Assets off of the Debtors’ platform in accordance with the relief set forth in the Withdrawal Order (the “First Distribution Schedule”).

PLEASE TAKE FURTHER NOTICE that on March 21, 2023, the Court entered the *Order (I) Approving (A) the Settlement by and Among the Debtors, the Committee, and the Custody Ad Hoc Group and (B) the Election Form and (II) Granting Related Relief* [Docket No. 2291] (the “Custody Settlement Order”) pursuant to which the Debtors are authorized to distribute the

remaining 6% of each Eligible User's withdrawable Custody assets (the "Remaining Distributable Custody Assets")³ for a total of 100% of each Eligible User's Distributable Custody Assets.

PLEASE TAKE FURTHER NOTICE that pursuant to the Custody Settlement Order, Settling Custody Account Holders have the right to withdraw Custody Settlement Payments from the Debtors' platform at certain times provided in the Custody Settlement Order. For the avoidance of doubt, such Custody Settlement Payments will be subject to Withdrawal Fees (as defined herein).

PLEASE TAKE FURTHER NOTICE that on April 17, 2023, the Debtors filed the *Notice of Revised Schedule of Custody Users Entitled to Withdraw Certain Assets* [Docket No. 2491] (the "Revised Withdrawal Notice") setting forth a schedule of Eligible Users entitled to withdraw 100% of their Distributable Custody Assets off of the Debtors' platform in accordance with the relief set forth in the Withdrawal Order (the "Revised Distribution Schedule").

PLEASE TAKE FURTHER NOTICE that the Revised Distribution Schedule specifies (i) each affected user entitled to withdraw Distributable Custody Assets pursuant to the Withdrawal Order and Custody Settlement Order, (ii) each Eligible User's Distributable Custody Assets by category, and (iii) the amount of the Distributable Custody Assets to be released with respect to customers with digital assets in the Custody Program.

PLEASE TAKE FURTHER NOTICE that on April 20, 2023, the Court entered the *Order (I) Approving the Settlement by and Among the Debtors, the Committee, and the Withhold*

³ In the Custody Settlement Order, withdrawable Custody assets are represented by the defined term "Withdrawable Custody Assets." For the avoidance of doubt, in this Notice of Increased Gas Fees, the term Distributable Custody Assets is used to describe withdrawable Custody assets. The defined term "Withdrawable Custody Assets" in the Custody Settlement Order and the defined term "Distributable Custody Assets" in the Second Withdrawal Notice represent the same digital assets.

Ad Hoc Group and (II) Granting Related Relief [Docket No. 2509] (the “Withhold Settlement Order”) pursuant to which Settling Withhold Account Holders have the right to withdraw such Withhold Account Holder’s Withhold Settlement Payment from the Debtors’ platform. For the avoidance of doubt, such Withhold Settlement Payments are subject to Withdrawal Fees (as defined herein).

PLEASE TAKE FURTHER NOTICE that, as permitted by paragraph 4 of the Withdrawal Order and noted in the First Withdrawal Notice and Revised Withdrawal Notice, the amounts set forth on the First Distribution Schedule and the Revised Distribution Schedule are net of any gas fees or transaction costs (or a fee approximating such costs) (*i.e.*, the applicable gas fees and transactions costs are subtracted from the eligible amount) necessary to effectuate the withdrawal or transfer of digital assets to customers (the “Withdrawal Fees”). As provided in paragraph 4 of the Withdrawal Order, no digital assets shall be permitted to be withdrawn unless the current account balance of the Eligible User is sufficient to satisfy any Withdrawal Fees.

PLEASE TAKE FURTHER NOTICE that based on significant market fluctuations and elevated demand on the blockchain, the Withdrawal Fees have significantly increased. Accordingly, the Debtors have adjusted the Withdrawal Fees to reflect the fees being paid by the Debtors for distributions at this time. ***Please be aware that these adjustments are substantial.*** The adjusted Withdrawal Fees associated with each digital asset are set forth below:⁴

⁴ For the avoidance of doubt, in the event that any gas fee exceeds the ranges set forth herein, the Debtors shall be permitted to charge the withdrawing party the entire amount of the gas fee.

Component	
Fixed Administrative Costs (KYC), Vendor Fee	\$1.00
Variable Network Fee (Updated Monthly)	
BTC	\$19.00
ETH	\$4.80
ERC-20	\$14.20
Alt Coins	\$0.20
Total Withdrawal Fee	
BTC	\$20.00
ETH	\$5.80
ERC-20	\$15.20
Alt Coins	\$1.20

PLEASE TAKE FURTHER NOTICE that certain Eligible Users otherwise eligible to withdraw Distributable Custody Assets pursuant to the Withdrawal Order and the Custody Settlement may have insufficient funds to effectuate a withdrawal after taking into account any Distributable Custody Assets that have already been withdrawn and/or the adjusted Withdrawal Fees listed above.

PLEASE TAKE FURTHER NOTICE that Withdrawal Fees may continue to fluctuate due to market conditions and that in the event transaction fees go down for the Debtors, an updated notice will be filed to lower Withdrawal Fees for Eligible Users in parallel.

PLEASE TAKE FURTHER NOTICE that there is not currently any deadline by which Eligible Users must withdraw Distributable Assets. Eligible Users may choose to leave Distributable Assets on Celsius' platform while Withdrawal Fees remain elevated; *provided* that the Debtors cannot guarantee that Withdrawal Fees will decrease.

PLEASE TAKE FURTHER NOTICE that if Eligible Users have questions with respect any messages received related to this Notice of Increased Gas Fees, the Custody Settlement Order, and/or the Withdrawal Order, please confirm such messages match the information provided in the Celsius app and/or email CelsiusCreditorQuestions@kirkland.com or app@celsius.network.

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New York, New York
Dated: May 9, 2023

/s/ Joshua A. Sussberg

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